S. PRT. 100–76
[COMMITTEE PRINT]

Report on

U.S. Presence In the Persian Gulf

Cost and Policy Implications

Submitted by

Senator Ted Stevens
Senator Alfonse D'Amato
Senator Warren Rudman
Subcommittee on Defense

to the

Committee on Appropriations
United States Senate

JANUARY 1988

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U.S. Government Printing Office, Washington, DC 20402

S182-1

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United States Senate
COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

January 28, 1988

The Honorable John C. Stennis
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Based on your suggestion last spring, a review has been conducted of the cost implications of our naval escort policy in the Persian Gulf. Under your authority, Senators D'Amato, Rudman and myself travelled to the Persian Gulf January 3-11, 1988, and visited our naval commanders in the region as well as various leaders of the foreign governments concerned.

The following report details our observations and findings during this review. In short, we concluded that our current commitment in the region has lent a stabilizing influence, but we must be prepared to reevaluate our position if conditions change or costs significantly rise.

Thank you for your support of our efforts.

With best wishes,

Cordially,

TED STEVENS

Persian Gulf Region

INTRODUCTION

The United States has had a naval presence in the Persian Gulf since World War II to protect its own interests, and those of its allies, in the region. Our interests include the maintenance of an unimpeded flow of oil through the gulf, continued security and stability of the relatively moderate states of the gulf and the surrounding region, and a limitation or reduction in the Soviet Union's influence in the region. These interests are likely to outlast any near-term changes in the political equation of the gulf, and our presence, therefore, is likely to continue. The delegation firmly believes that the United States cannot abandon its long-term commitment to the region without serious damage to our interests there and in other parts of the world. There are legitimate questions, however, about present policy in the gulf as it relates to operation of the U.S. Navy and the escorting of reflagged Kuwaiti tankers, and how the evolution of that policy may affect the long-term interest of the United States and the gulf nations.

The January 3–11, 1988, trip to the Persian Gulf was undertaken based on the suggestion and under the authority of the chairman of the Committee on Appropriations, Senator John C. Stennis. The delegation included committee members Senators Ted Stevens, Alfonse M. D'Amato, and Warren Rudman, accompanied by Frank Sullivan, Keith Kennedy, and Sean O'Keefe, professional staff members of the committee and Capt. Francis Holian from the U.S. Navy. Five other members of the committee had planned to be part of the delegation but were constrained by other commitments. The delegation visited Bahrain, Oman, Kuwait, Egypt, Israel, and Belgium, and held meetings with the officials listed below:

ITINERARY

BAHRAIN

Shaikh Isa bin Sulman al-Khalifa, Amir of Bahrain
Shaikh Mohammad bin Mubarak al Khalifa, Minister of Foreign Affairs
Tariq 'Abd al-Rahman Almoayed, Minister of Information
Yousuf Ahmad al-Shirawi, Minister of Development and Industries
The Honorable Sam H. Zakhem, U.S. Ambassador to Bahrain
Rear Adm. Dennis M. Brooks, Commander, Joint Task Force, Middle East
Rear Adm. Harold J. Bernsen, Commander, Middle East Force
Cmdr. Steve Smith, Commanding Officer, U.S.S. *Chandler.*

OMAN

Yusuf bin Alawi bin Abdullah, Minister of State for Foreign Affairs
Air Marshal Erik Bennett, Commander, Sultan of Oman's Air Force
The Honorable G. Cranwell Montgomery, U.S. Ambassador to Oman.

KUWAIT

Saud Mohamed al-Osaimi, Minister of State for Foreign Affairs
Shaikh Ali Khalifa al-Athby al-Sabah, Minister of Oil
The Honorable W. Nathaniel Howell, U.S. Ambassador to Kuwait.

EGYPT

Field Marshal Muhammad Abdel Halim Abu Ghazala, Deputy Prime Minister and Minister of Defense and War Production.

ISRAEL

Yitzhak Shamir, Prime Minister
Shimon Peres, Vice Prime Minister and Foreign Minister
Yitzhak Rabin, Minister of Defense.

BELGIUM

Lord Peter Carrington, Secretary General of NATO
Marcello Guidi, Deputy Secretary General of NATO
Mack Mattingly, NATO Assistant Secretary General for Defense Support
The Honorable Alton Keel, U.S. Ambassador to NATO
Gen. John Galvin, Supreme Allied Commander, NATO.

U.S. NAVAL ESCORT PROCEDURES

Current Conditions

Tasked with the responsibility to protect U.S. flag shipping in the gulf, the U.S. Navy evaluated the level of conflict in the region to be an extension of the Iraq-Iran war which had previously been confined to land engagements north of the Persian Gulf.

During 1987, a total of 162 ship attacks were recorded. The number of instigations are divided almost equally between Iraq and Iran. The U.S. Navy notes a pattern of Iranian attacks against commercial shipping of various international origin in direct response to Iraqi air strikes against Iranian shipping.

U.S. Convoy Tactic

Based on the seemingly indiscriminate targeting of commercial shipping by the Iranians, the U.S. Navy elected to escort U.S. flag vessels in the gulf by convoy. This procedure calls for alignment of commercial and military vessels in a column for transit from the Gulf of Oman, through the Strait of Hormuz and northwest through the Persian Gulf to within 50 miles of Kuwaiti ports. For the 11 reflagged Kuwaiti tankers, the Government of Kuwait agreed to bear responsibility for protection for 50 miles from port of embarkation or destination in Kuwait.

The convoy tactic extends to all U.S. flag vessels. Thus far, the only other U.S. flag shipping in the region have been vessels chartered or owned by the U.S. Government carrying cargo under contract with the Military Sealift Command. By circumstance, other commercial shipping in the region have benefitted from the convoy procedures by joining the column formation. But U.S. Navy officials in the region assert that not more than two or three foreign flag carriers "piggy-back" to the column for each convoy mission.

Through December 1987, the U.S. Navy conducted 23 convoy transits with a total of 56 ships since July 1987. Other than the *Bridgeton* mine strike incident which occurred on the first convoy in July, there have been no other incidents of attack on commercial vessels escorted by the U.S. Navy.

Iranian mine-laying operations also appear to have taken a downturn since the seizure of a mine-laying vessel last fall. A senior U.S. naval officer in the region viewed the absence of mine incidents to be an Iranian attempt to "bore us to death." U.S. Navy officials in the region are concerned that the comparative calm not give way to a relaxing of alert and readiness conditions aboard military vessels.

The U.S. Navy's rules of engagement for convoy vessels are clear. If any vessel in the convoy is fired upon, the Navy escort vessels are authorized to respond accordingly. The Navy's preference for the convoy tactic permits timely response in such instances. Any foreign flag vessels attacked within range of the convoy are not similarly protected.

Scope of U.S. Naval Presence

Since convoy operations commenced last summer, the Navy now maintains approximately 30 surface combatants in the region. This includes an aircraft carrier and battle group in the northern Arabian Sea and convoy escort vessels in the Persian Gulf and the Gulf of Oman. By numbers, roughly one-half the vessels assigned are deployed in the Persian Gulf or outside the Strait of Hormuz in the Gulf of Oman. The other one-half of the fleet is deployed in the northern Arabian Sea. In addition to the convoy escort vessels in the Persian Gulf, the U.S. Navy also stations destroyers to patrol particularly active segments of the gulf around the Strait of Hormuz and the northern gulf near Kuwait.

In general, the ships operate on a 6-month rotation schedule which includes 1 month each for transit from and return to home port. On average, ships assigned to the region will spend 4 months on station.

The following table lists the types of U.S. surface combatants in the region in early January 1988:

U.S. naval forces in the gulf region

Aircraft carriers	1
Battleships	1
Minesweepers	6
Guided missile cruisers	4
Guided missile destroyers	2
Destroyers	2
Guided missile frigates	5
Frigates	2
Auxiliary landing ships	2
Auxiliary support ships	5

Other International Practices

In addition to the United States, there are five other western alliance nations operating military forces in the region: the United Kingdom, France, Italy, the Netherlands, and Belgium. The extent of naval presence for these nations ranges widely from aircraft carrier group commitments to mine-sweeping units.

The various western alliance forces communicate regularly, but specific escort tactics are not coordinated. In short, each nation's military presence is dedicated to its commercial shipping.

The United States is the only naval force which adheres to convoy procedures. Most of the other western alliance forces either accompany its commercial shipping through the most hostile areas, particularly the Strait of Hormuz, or simply patrol sections of the gulf. The U.K. forces frequently station ships within range of commercial shipping in a picket

formation. As commercial shipping passes through each sector, responsibility for protection transitions to each unit.

Few of the other western alliance forces operate continuously in the Persian Gulf. Most transit from the Gulf of Oman into the Persian Gulf only when commercial shipping protection requirements arise.

The Soviet Union also operates naval combatants in the region. No particular tactical patterns are evident to characterize Soviet escort procedures. Recent observations include accompanying flag carriers through particularly hostile sectors of the gulf and normal patrol maneuvering.

Other allied nation presence

Aircraft carrier	1
Destroyers	6
Frigates	6
Minesweepers	14
Auxiliaries	6

COST OF U.S. NAVAL PRESENCE

Prior to reflagging the 11 Kuwaiti tankers, U.S. naval presence in the gulf and the northern Arabian Sea numbered 3 to 4 capital surface combatants on average. Since the tanker reflagging and concurrent decision to escort with combatant ships, the presence has expanded to approximately 30 ships. The number of vessels in the Persian Gulf and northern Arabian Sea will vary depending on the number of tankers within each convoy movement and rotation of U.S. Navy ships between the gulf region and U.S. coastal or Mediterranean ports.

Similarly, the number of Navy personnel varies depending on the fleet configuration. But as a representative sampling, nearly 10,000 naval personnel were recorded as having collected imminent danger pay in the fall of 1987.

At the start of fiscal year 1987, the Office of the Navy Comptroller estimated costs of $6,000,000 to $8,000,000 per quarter for operation of the Middle East task force operating in the Persian Gulf region. Coincident with the reflagging decision, costs were revised upward. Estimated cost incurred for the fourth quarter of fiscal year 1987 was $115,200,000. Of this amount, the Navy Comptroller determined roughly half the costs would have been expended to operate vessels under normal operating schedules regardless of location. Actual incremental cost absorbed within the Navy's operating appropriations account was $60,000,000 for the fourth quarter of fiscal year 1987.

In addition to Navy incurred expenses, the Air Force estimated a cost of $7,700,000 for reconnaissance and refueling aircraft to support convoy operations in the fourth quarter of fiscal year 1987.

An as yet unknown cost which may be substantial is the additional maintenance expense for Navy ships and aircraft operating in the Persian Gulf region. The primary expense will accrue from the accelerated operating time which has been more than three times the rate planned.

Normal ship operation schedules include steaming time of usually not more than one-third the days of each quarter. The convoy and patrol duty now assumed by Navy ships in the region require virtually continuous operation throughout the quarter. Consequently, the maintenance requirements for ships returning from the region are expected to be much more extensive than under normal operational schedules.

A secondary factor which may add to maintenance costs is attributed to the environmental conditions of the Persian Gulf region. Wide temperature variances and the presence of sand in the air over the region have exacerbated equipment conditions. Spare and repair parts consumption account for about 20 percent of the incremental costs in-

81-618 - 88 - 2

curred. This indicator causes some concern to Navy planners that maintenance and repair costs may be understated in the fiscal year 1988 budget.

Incremental Costs

Based on the fourth quarter 1987 experience, Navy Comptroller estimates for fiscal year 1988 approach $450,000,000 assuming the level of operations remain the same through the year. Of this total cost estimate, the Navy considers $179,000,000 to be the incremental cost estimate above expenses which would be incurred under normal fleet operations. At the time of printing for this report, indications were that this estimate may rise $10,000,000 or more.

But these initial estimates assume some reduction in steaming time over the year and account for some offsets to the total cost. Based on ship rotation schedules, the Navy expects monthly incremental cost increases of $15,000,000 to $17,000,000 through fiscal year 1988.

The following table summarizes actual fiscal year 1987 and projected fiscal year 1988 costs by element of expense:

MIDDLE EAST FORCE INCREMENTAL COSTS

Actual Fiscal Year 1987 Costs

	July 1987	August 1987	September 1987	Cumulative
Aircraft operations	$1,848,000	$3,559,000	$1,915,000	$7,322,000
Ship operations	1,779,000	17,314,000	7,588,000	26,681,000
Airlift	3,800,000	2,617,000	413,000	6,830,000
Travel-indirect	123,000	83,000	20,000	226,000
Travel-direct	371,000	735,000	115,000	1,221,000
Other	120,000	2,467,000	268,000	2,855,000
Transportation		10,095,000	3,532,000	13,627,000
Imminent danger pay		553,000	713,000	1,266,000
Total	8,041,000	37,423,000	14,564,000	60,028,000

Actual Fiscal Year 1988 Costs

	October	November
Aircraft operations	$2,738,000	$757,000
Ship operations	8,584,000	8,991,000
Airlift	667,000	20,000
Travel-indirect	28,000	13,000
Travel-direct	1,275,000	1,158,000
Other	1,414,000	999,000
Transportation	1,333,000	2,007,000
Imminent danger pay	1,063,000	1,015,000
Total	17,102,000	14,960,000

Projected Fiscal Year 1988 Costs

	Month	Quarter	Year
Aircraft operations	$1,915,000	$5,745,000	$22,980,000
Ship operations	7,588,000	22,764,000	91,056,000
Airlift	413,000	1,239,000	4,956,000
Travel-indirect	20,000	60,000	240,000
Travel-direct	115,000	345,000	1,380,000
Other	268,000	804,000	3,216,000
Transportation	3,532,000	10,596,000	42,384,000
Imminent danger pay	1,063,000	3,189,000	12,756,000
Total	14,914,000	44,742,000	178,968,000

POLICY CONSIDERATIONS

Increased U.S. Navy presence in the gulf in 1987 resulted from the attack on the U.S.S. *Stark* and the decision to agree to the request of Kuwait to put 11 Kuwaiti ships under U.S. flag for escort by U.S. warships, ostensibly to assure the free passage of oil down the Persian Gulf through the Straits of Hormuz, and into the Gulf of Oman. With the exception of the *Bridgeton's* encounter with a mine, the escorting operation has been successful. However, it is clear that the U.S. presence in the gulf has far less to do with oil than it does with the politics of the region.

Oil Shipments Through Gulf

The 11 reflagged Kuwaiti ships consist of 1 crude oil carrier, 4 liquefied petroleum gas carriers, and 6 petroleum product carriers. U.S. Embassy personnel in Kuwait advised the delegation that these 11 ships carry approximately 5 percent of total Kuwaiti export volume. The value of petroleum products shipped on reflagged vessels as a percentage of total Kuwaiti exports was unavailable, but it is unlikely that the percentage would be significantly higher than the 5 percent of volume. Information supplied in briefings by U.S. Navy personnel in the gulf further supports the conclusion that the United States has established a very significant presence relative to the amount and value of petroleum products under the protection of the escorting operation. Through December, the Navy had escorted 56 ships in 23 transits of the gulf. This compares to annual traffic through the Straits of Hormuz of about 12,000 ships.

Supportable Losses

Furthermore, officials of the Sultanate of Oman contended that shipping losses of approximately $250,000,000 prior to the initiation of the U.S. escort operation were supportable in comparison to the total value of the oil economy of the gulf states, and could be endured.

The Kuwaitis, of course, do not view the shipments of oil under U.S. escort to be insignificant, and indicated that they would turn to other nations, notably the Soviet Union, if the United States were to withdraw its protection. In fact, the Kuwaiti Government asked all five permanent members of the U.N. Security Council for assistance prior to the U.S. decision to reflag and escort Kuwaiti tankers. But it is the view of the delegation, supported by officials in other gulf states, that the primary goal of the Kuwaiti Government, and the benefit of the United States involvement, is not economic protection but political stability.

Notwithstanding the different views of the escorting of oil shipments as a rationale for the increased U.S. presence in the gulf, it is clear that increased presence has been welcomed and is widely supported. Government officials in the gulf states of Bahrain, Oman, and Kuwait, as well as in Egypt and Israel, expressed the view that the increased U.S. presence has achieved a number of beneficial political and military results.

Improved Regional Stability

There is widespread fear, particularly in the gulf states with significant Shi'a Moslem populations, that the Iranian revolution will be exported to other nations in the area, and the increased regional stability resulting from U.S. presence has enabled the moderate Arab nations to make common cause in countering the Iranian threat. In this context, perhaps the most remarkable benefit of the renewed U.S. commitment to the gulf region was expressed in the flat assertion of Egyptian officials that only the U.S. initiative in the gulf has allowed Egypt to reopen relations with the gulf states, evidenced in Egyptian President Hosni Mubarak's recent visit to the Persian Gulf region. It should be emphasized that this development is strongly supported by the Government of Israel, whose Prime Minister and Foreign Minister repeated to the delegation prior public statements of Israel's support for the U.S. presence in the gulf and the resulting stability of the moderate Arab nations.

U.S. Response

While attacks on tankers and production facilities in the gulf have not ceased, they have diminished, and there have been no attacks on ships escorted by the United States since the *Bridgeton* mine incident, and there is generally increased confidence in the security of oil shipments in the gulf. The credibility of the United States was further bolstered by the destruction of the Rashadat oil platform in retaliation for the attack on the *Sea Isle City* by an Iranian gunboat in October 1987. This measured response is viewed as precisely appropriate to Iranian provocation—effective, but not confrontational.

Role of Iraq

As much as the moderate gulf states welcome the U.S. presence and its beneficial effects on regional stability, however, there remains a concern that Iran not be totally isolated. The delegation often heard the view that, "Iran will be with us for many years to come, but we do not know how long the United States will stay." Government officials noted that of the 162 successful attacks on shipping in 1987, 78 were made by the Iranians and 84 by the Iraqis, and the suggestion was made in all three gulf states visited by the delegation that the United States should do more to discourage Iraqi attacks in the hope that the Iranians would desist as well. U.S. Navy personnel in the area supported this view in

expressing the opinion that Iranian attacks were primarily reactive, and an Omani official declared that he could "guarantee that if the Iraqi attacks stop, the Iranian attacks will stop."

A cessation of Iraqi attacks on shipping in the gulf would also substantially reduce the necessity for an increased number of American personnel and ships in the area. The risk of accidental air strikes is just as significant to the U.S. Navy as premeditated attacks. According to U.S. Navy officers serving in the gulf, "The Iraqi air force in the northern gulf is a major threat to the U.S. Navy," a threat clearly demonstrated by the unintentional attack on the U.S.S. *Stark.*

In the crowded conditions of the gulf, there is little time to distinguish friend from foe and determine the intentions of oncoming aircraft. Clearly, a reduction in Iraqi air missions would reduce the risk to the U.S. escort operation and help temper the conflict with Iran in the gulf.

Gulf States Limited Role

A more vivid example of the moderate Arabs reluctance to antagonize Iran was made known to the delegation during an official visit. The delegation was informed that the Kuwaitis have an observation post within artillery range of the Iranian Silkworm missile site from which attacks have been launched on Kuwaiti targets, but that to date the Kuwaitis have only watched as attacks have been launched and have made no attempt to destroy the site themselves. The delegation also learned that Saudi Arabia has several new minesweepers that could be deployed in the gulf, but those ships have not been committed to date.

Dependence on Gulf Oil Exports

U.S. interest and motivation for seeking peace in the gulf are linked to the enormous petroleum reserves in the region. The gulf OPEC states produce better than 22 percent of world fuel consumption needs. Last year, 6 percent of our national oil consumption was met by Persian Gulf exports. By contrast, 25 percent of Europe's and over 60 percent of Japan's fuel requirements were drawn from gulf reserves. Clearly, U.S. interests are served by stability in the region, but Western European and Japanese oil demands suggest the criticality of unimpeded exports.

Recognizing their oil dependence in the region, five nations of the Western European Union have deployed naval forces to the gulf while the remaining two countries of WEU have taken compensatory action with the other five nations to assist in this effort. While reluctant to formalize a cooperative agreement for military activities in the gulf, WEU nations are making some commitment to protection of shipping. This is further substantiated by indications that some members of the WEU will coordinate minesweeping activities.

Roughly 20 percent of Japan's consumption of oil from the gulf

region is met by Iranian reserves. In response to Western calls for an economic boycott of Iran, Japan's Ministry of International Trade and Industry has ordered a 242,000-barrel-per-day limitation on imports of Iranian oil. This is a decline from an average 300,000 barrels per day imported from Iran in 1987.

There is some indication of Western alliance nation requests for financial support of gulf activities, but no other signs of Japanese involvement in the region are evident.

Balanced U.S. Policy

The reluctance of the gulf states to do more to protect their own interests is frustrating, but their reluctance to provoke Iran should serve as a reminder to the United States and the nations of the Western European Union that are involved in the Persian Gulf to pursue a balanced, measured approach. The wariness of the gulf states may also lead the United States to reexamine its present method of operation. If the issue is political stability in the region and not the protection of the 11 reflagged Kuwaiti tankers per se, should we devote such significant resources to that effort? If we are to expand our role beyond that of our escorting operation to the protection of all shipping in international waters, should we do so alone or in cooperation with other nations in the gulf? Most importantly, under what circumstances are we prepared to reduce our presence in the gulf?

OPTIONS FOR CONSIDERATION

The primary military objective for U.S. Navy presence in the Persian Gulf has been to assure protection of U.S. flag carrier shipping. No attacks have been launched against such vessels since the policy was initiated.

The narrowly defined policy has had the effect of limiting U.S. military risk and commitment while indirectly moderating violence in the region overall. The incidents of attacks have not increased overall and military observers continue to see a pattern of Iranian retaliation only in response to Iraqi air strikes against Iranian shipping.

While the "tanker war" in the gulf appears to have been contained, without question, violence in the region does persist. The existing U.S. policy is achieving the desired results, but continues to be open ended. Expansion or contraction of U.S. presence is scenario dependent. The following options detail possible alternative strategies for U.S. activities and describe the desired circumstances.

U.S. Military Withdrawal From the Persian Gulf

U.S. presence in the region could revert to conditions existent prior to the Kuwaiti tanker reflagging if the conduct and response to the Iran-Iraq war changed. Clearly, a cease fire between the belligerents could eliminate the need for continued protection of shipping.

Alternatively, a conclusion to the "tanker war" segment of the ongoing conflict would also present opportunities to draw down U.S. naval presence. Commercial shipping attacks seem to have negligible impact for either Iraq or Iran. Despite Iraqi air strikes, Iranian shipping continues to be profitable. Conversely, Iranian attacks on international shipping have registered no discernable impact on the Iraqi war effort.

If the gulf states assumed more responsibility for protection of commercial shipping in the region, this condition could also help diminish U.S. military involvement in the gulf. Entreaties to Saudi Arabia to use its minesweeping assets and to Kuwait to actively respond with its air defense emplacements could help ease U.S. responsibilities in the region.

United Nations Peacekeeping Force

Absent a cease-fire in the gulf tanker war, each nation with commercial shipping interests in the region must assess its willingness to protect its right of navigation in international waters. Given the universal commitment to this principle, U.S. presence and risk in the region could be altered by an international decision to establish a U.N. peacekeeping force to respond to aggression against any commercial shipping attacked

outside the war zone. While philosophically appealing, movement toward such a decision should clearly define rules of engagement against acts of aggression. This is particularly important in light of the nature of any cooperative agreement between western alliance and Soviet alliance nations.

At a minimum, any U.N. agreement should incorporate endorsement of an arms embargo to the belligerent nations.

Western Alliance Cooperation

Under the auspices of the Western European Union, several of the western allies have resolved to establish an active presence in the Persian Gulf region. Expansion of this example to a formal NATO policy appears unrealistic since the gulf problem is out of the NATO sphere of interest. However, a better defined policy among western alliance nations to protect commercial shipping of mutual interest could contribute to a toning of the U.S. policy in the region.

Promising signs of such cooperative agreements have surfaced in recent weeks. The French, Italian, and United Kingdom minesweeping coordination effort is further indication of progress in this area.

Unilateral U.S. Expansion

While a contained policy at present, U.S. commitment to the region applies exclusively to U.S. interests. Adherence to a policy of protection of any commercial vessel's right to free passage in international waters is a more expansive application of universal principle. Absent a similar adoption of principle by other nations of the world, however, would create extensive risk and staggering cost to the United States.

CONCLUSIONS

The delegation's primary focus on the Persian Gulf was to examine the costs involved to maintain our military presence in the region. The cost estimates are heavily influenced by the direction of our foreign policy in the region and the manner in which it is carried out.

Continuation of the present policy by the means established since July 1987 is expected to cost upward of $450,000,000 in fiscal year 1988. Incremental expenses beyond estimates to operate the ships deployed under normal conditions are expected to be $179,000,000 through the balance of the year. By contrast, it would cost $14,400,000 to maintain a presence in the gulf comparable to conditions which existed prior to naval expansion last summer.

U.S. economic dependence on the gulf region is minimal when contrasted with the other world industrial nations. While U.S. investment in the Persian Gulf presence is not linked to our vital economic interest, it has lent a stabilizing influence to the region and, thereby, a benefit to other world economic interests. Similar commitments from other nations would signal international resolve to the belligerents of the region that economic interests will be protected.

The underpinnings of our policy are linked to the principle of freedom to navigate in international waters. At present, a national willingness exists to bear the financial burden in support of this principle. But support may yet prove to be frail if the cost is to be paid in human life from our military personnel assigned to carry out the policy. More commitment by other nations to this common international principle may not lessen the human risk involved, but it would be shared more equitably.

The United States has accrued other benefits from our presence in the form of improved relations with moderate Arab states in the gulf. But these strengthened ties are contingent upon continuation of an open-ended policy to remain in the region for as long as the threat persists. We may elect to incur these costs in support of principle and in pursuit of continued benefit, but must be mindful of the associated risks. Assessment of risk and willingness to rethink the policy must remain on Congress' agenda for the foreseeable future.

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